

Implementation Review - Review of Cost  
Estimates for the Los Angeles Courthouse Project  
Report Number A080125/P/R/R09001  
June 23, 2009

Assignment Number A110193  
September 27, 2011





U.S. GENERAL SERVICES ADMINISTRATION  
Office of Inspector General

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Date: September 27, 2011

Reply to: R. Nicholas Goco  
Attn of: Deputy Assistant Inspector General  
For Real Property Audits (JA-R)

Subject: Implementation Review - Review of Cost  
Estimates for the Los Angeles Courthouse Project  
Report Number A080125/P/R/R09001  
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To: Robert A. Peck  
Commissioner, Public Buildings Service (P)

The Office of Inspector General has completed an implementation review of the management actions taken in response to the recommendation contained in the subject audit report. The review found that the Public Buildings Service (PBS) addressed the audit recommendation in the corrective action plan, dated January 20, 2010, (see Appendix A).

To accomplish this implementation review we: (1) examined the documentation submitted by PBS which supported accomplishment of the action plan steps; (2) performed limited testing of the implementation of the guidance contained in these supporting documents; and (3) met and corresponded with PBS personnel.

Thank you and your staff for the courtesies extended during this review. If you require any additional information, please contact me at 202-219-0088.

*Susan P. Hall*

Susan P. Hall  
Audit Manager  
Real Property Audit Office (JA-R)

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**Appendix A**

Recommendation from Report Number A080125/P/R/R09001

We recommend that the Commissioner of the Public Buildings Service:

1. Improve PBS's construction cost estimating accuracy by monitoring cost estimates against actual results to identify factors that could be enhanced.

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**Appendix B**

Management's Corrective Action Plan

**FEB 17 2010**

**MEMORANDUM FOR ROBERT A. PECK**  
COMMISSIONER  
PUBLIC BUILDINGS SERVICE (P)

**FROM:** THEODORE R. STEHNEY (S)REGINA O'BRIEN  
ASSISTANT INSPECTOR GENERAL  
FOR AUDITING (JA)

**SUBJECT:** Review of Cost Estimates for the Los Angeles Courthouse  
Project, Report Number A080125/P/R/R09001

In accordance with the provisions of GSA Order ADM P 2030.2C, please be advised that we have reviewed the action plan for the subject audit and consider it to be responsive to the recommendations therein. By this memorandum, you are notified that resolution has been accomplished.

Implementation is the responsibility of the program office, and the Internal Control and Audit Division (BEI). Additionally, the Office of Audits, as considered appropriate, conducts implementation reviews and the subject report may be selected for such a review.

Since the time frame for completing final action is more than 12 months after the report issuance date, we are required to note in our Semiannual Report to the Congress that final action is pending.

If you have any questions, please direct your inquiries to Nicholas Painter, Audit Manager, on (404) 331-5520.

cc: Official file - JAO  
Reading file - JA  
~~BEI (w/ attachment)~~  
PF-Brian Gibson  
JA-R  
JA-S

JA-R:R. GOCO:202-501-2322:January 22, 2010

Concurrence JAO STG Date 1-25-10

CSIS: 8474

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**Appendix B**

Management's Corrective Action Plan

**PBS Action Plan**

**Designated Responding Official:** William Guerin

**Contact Person:** Robert Andrukonis

**Telephone Number:** (202) 501-1517

**Date:** January 20, 2010

Action Report Number/Title	Recommendation Number	Proposed Recommendation Completion Date
A080125/P/R/R09001/Review of Cost Estimates for the Los Angeles Courthouse Project	One	11/30/2010

**Recommendation**

Improve PBS's construction cost estimating accuracy by monitoring cost estimates against actual results to identify factors that could be enhanced.

Action to be Taken Step-by-Step:	Supporting Documentation to be Sent to BECA:	Documentation will be Sent Last Day of:
Award contracts to five nationally recognized cost estimating firms to enhance accuracy of estimates.	Copy of contract award documentation	February 2010
Award contract for unit cost study that will provide benchmark costs for various space types in federal buildings.	Copy of contract award documentation	February 2010
Conduct market surveys to identify factors that will affect future construction costs.	Copy of P-120 Project Estimating Requirements for the Public Buildings Service	February 2010

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**Contact Person:** Robert Andrukonis

**Telephone Number:** (202) 501-1517

**Date:** January 20, 2010

<b>Action to be Taken Step-by-Step:</b>	<b>Supporting Documentation to be Sent to BECA:</b>	<b>Documentation will be Sent Last Day of:</b>
After the end of each FY (beginning in FY10) complete a comparison of courthouse benchmarks against their actual contract award amounts. Reviews should be conducted over a 4 year period.	Copy of FY 10 comparison of courthouse benchmarks against actual contract award amounts.	November 2010

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**Appendix C**

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